

Message Text

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PAGE 01 CAIRO 17452 172104Z
ACTION AID-59

INFO OCT-01 NEA-10 ISO-00 EB-07 IGA-02 /079 W
----- 049263 /71
R 171445Z DEC 76
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 9835

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EO 11652: NA
TAGS: EINV, EG
SUBJ: CHEMTEX POLYESTER JOINT VENTURE

REF (A) STATE 278983, (B) CAIRO 17076,

1. CHEMTEX INC REPS T MCGANNON AND EDWARD EMERSON VISITED EMBASSY DEC 14 FOR DISCUSSION OF PROPOSED JOINT VENTURE WITH BANK MISR TO PRODUCE POLYESTER STAPLE AND FILAMENT. IN CONVERSATIONS WITH AID, POINT WAS MADE AGAIN OF DIFFICULTIES US HAVE WITH FINANCING TEXTILE-INCLUDING FIBER-PROJECTS, AND MCGANNON AND EMERSON INDICATED THEY UNDERSTOOD THIS WAS MATTER WHICH WOULD HAVE TO BE DECIDED IN WASHINGTON.

2. CHEMTEX REPS, WHO ALSO MET WITH DCM AND COMMERCIAL ATTACHE, STATED THAT THEIR PLANT, AND LARGE BANK MISR-SPONSORED TEXTILE AND INDUSTRIAL COMPLEX OF WHICH IT IS TO BE A PART, HAD RECEIVED APPROVAL OF GOE, SPECIFICALLY OF PRES SADAT WHO IS SAID TO HAVE DECIDED THAT NEW POLYESTER PRODUCTION FACILITY SHOULD "GO TO THE AMERICANS", SINCE THE FRENCH HAD BEEN CHOSEN LAST YEAR AS JOINT VENTURE PARTNERS OF MISRY RAYON IN POLYESTER PLANT.

3. MISR RAYON IS (NOW) CONTINUING TO PUSH PROPOSAL TO HAVE A POLYESTER STAPLE AND FILAMENT "LINE" AS ADDITION TO PLANT IT IS CURRENTLY BUILDING IN ASSOCIATION WITH FRENCH. THIS IS LIMITED OFFICIAL USE

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PAGE 02 CAIRO 17452 172104Z

RIVAL PROPOSAL TO BANK MISR PLANT. MISR RAYON OFFICIALS INSIST THAT CONTRARY TO ASSERTION OF CHEMTEX, BANK MISR PROJECT HAS NOT YET BEEN GIVEN GOE APPROVAL AND COMPETING MISR RAYON "ADD ON" IS STILL BEING CONSIDERED, AS DEPT AWARE, AID CAIRO HAS BEEN ASKED TO FINANCE STUDY OF MISR RAYON MARKET PROSPECTS AND OPERATIONS, INCLUDING SECOND POLYESTER

PLANT.

4. WE UNCERTAIN OF VIEWS OF GOE ON MERITS OF RIVAL PRO-
POSALS BUT WILL CONTINUE MONITOR MATTER CLOSELY IN VIEW OF
VARIOUS USG INTERESTS INVOLVED.

EILTS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEXTILES, JOINT VENTURES, FOREIGN INVESTMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: KelleyW0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976CAIRO17452
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760465-0807
From: CAIRO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761231/aaaabaax.tel
Line Count: 67
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AID
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 STATE 278983, 76 CAIRO 17076
Review Action: RELEASED, APPROVED
Review Authority: KelleyW0
Review Comment: n/a
Review Content Flags:
Review Date: 08 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08 JUN 2004 by CunninFX>; APPROVED <28 OCT 2004 by KelleyW0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CHEMTEX POLYESTER JOINT VENTURE
TAGS: EINV, EG, US, CHEMTEX INC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006